

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform)	WC Docket No. 11-42
And Modernization)	
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
Advancing Broadband Availability)	WC Docket No. 12-23
Through Digital Literacy Training)	

COMMENTS OF SPRINT NEXTEL CORPORATION

Sprint Nextel Corporation (“Sprint”), on behalf of its affiliate Virgin Mobile USA (“VMU”), pursuant to the Public Notice released on July 9, 2012 (DA 12-1095), hereby respectfully submits its comments in support of the “Supplement to Petition for Reconsideration and Emergency Petition to Require Retention of Program-Based Eligibility Documentation” filed by TracFone Wireless (“TracFone Petition”). In its petition (p. 1), TracFone has proposed that all Eligible Telecommunications Carriers (“ETCs”) who view documentation of program-based Lifeline eligibility pursuant to Section 54.410(c)(1)(i)(B) of the Rules be required to “maintain in their possession and available for audit all such documentation for not less than three years following receipt of such documentation.” As discussed briefly below, Sprint believes that the proposed document retention requirement will help to ensure that Lifeline ETCs obtain and

properly review the documentation needed to determine whether an end user is in fact eligible to receive the federal Lifeline benefit.

Sprint has no direct knowledge of any ETC that is falsely claiming to have obtained and reviewed program documentation while signing up Lifeline customers. However, as the number of Lifeline-designated ETCs increases, so too does the probability of bad action by a rogue carrier or its agents. To maximize the effectiveness of the program documentation rule to prevent waste, fraud and abuse, the Commission's rules should be revised to include a documentation retention element.

The rules as written do not include any mechanism to identify non-compliant ETCs. Because ETCs are not required to retain any documentation purportedly collected (indeed, Section 54.410(c)(1)(ii) prohibits ETCs from retaining copies of such documentation), there is no external means of ascertaining whether the ETC did in fact obtain and review the requisite documentation. As TracFone correctly states (Petition, p. 5), unless ETCs are required to retain eligibility documentation and to produce it in the course of an audit, they will “have the ability and the economic incentive to claim to have reviewed documentation and to keep notes of having reviewed such documentation without any auditable evidence that such documentation was ever produced or that such ETC-produced notes are accurate.” In short, in the absence of a retention requirement for audit purposes, the documentation requirement is toothless as a means for ensuring that carriers enroll only customers who present proof of eligibility.

Sprint acknowledges that a document retention requirement does require the ETC to take steps to protect sensitive customer and applicant information. While Sprint is concerned about the possibility of inadvertent as well as malicious data security breaches,

we believe that service providers can and must take reasonable steps to safeguard sensitive end user information, including Lifeline program eligibility documentation. The costs of implementing these safeguards are justified by the benefits of more effective audits and protection against waste, fraud and abuse in the Lifeline program.¹

Respectfully submitted,

SPRINT NEXTEL CORPORATION

/s/ Charles W. McKee

Charles W. McKee
Vice President, Government Affairs
Federal and State Regulatory

Norina T. Moy
Director, Government Affairs

900 Seventh St. NW, Suite 700
Washington, DC 20001
(703) 433-4503

July 24, 2012

¹ Of course, auditors cannot request access to program-based eligibility documentation prior to the effective date of the rule changes being proposed in this proceeding since, by definition, the ETC would not be retaining such documentation under currently effective rules.